

**Minutes of the Meeting of the Board of Directors
Inter-American Foundation
June 24, 2013**

The Board of Directors of the Inter-American Foundation (IAF) met at 1331 Pennsylvania Avenue, NW, Suite 1200 North, Washington, DC 20004, on June 24, 2013. Board members present were John P. Salazar, Chair; Amb. Thomas Dodd, Vice Chair; Eddy Arriola, Member; J. Kelly Ryan, Member; and Roger Wallace, Member. Advisory Council Chair Alexander Watson and Member Hector Morales also attended. IAF staff members in attendance were Robert Kaplan, President; Stephen Cox, Vice President for Programs; Manuel Nuñez, Director of External and Government Affairs; Emilia Rodriguez-Stein, Director of Evaluations; Jake Sgambati, Chief Operating Officer; Nicole Tillman, Finance and Budget Officer; Paul Zimmerman, General Counsel; and Cindy Soto, Executive Assistant. Marcy Kelley, Foundation Representative for Costa Rica and Ecuador, and Juanita Roca, Foundation Representative for Colombia and Chile (via phone), attended a portion of the meeting.

I. CALL TO ORDER

Chairman John Salazar called the meeting to order at 9:00 a.m.

II. APPROVAL OF THE MINUTES

The minutes of the March 25, 2013, board of directors meeting were approved and adopted by a unanimous vote.

III. MANAGEMENT REPORT

A. Overview and follow-up from March meeting (Robert Kaplan)

We have been very active since the last board meeting. We have many exciting programmatic developments to share, and we have made good progress in increasing the IAF's visibility. At the same time, we are also facing some big financial challenges so we cannot afford to be complacent. As we will be discussing later in the meeting, we realize we need to have 100 irons in the fire on donor engagement in order to succeed, but we cannot afford to support the effort with a big staff.

Advisory council matters

Jim Polsfut and Hector Morales accepted the invitation to join the IAF advisory council. Mel Martinez and Chris Dodd declined our invitation. Advisory council chair Alec Watson will report on his interaction with advisory council members later in the meeting.

President Obama's trip to Mexico and Costa Rica / Vice-President Biden's trip to Trinidad and Tobago

The IAF was invited by the White House to participate in President Obama's trip planning. We provided programmatic and contact information which was copied to the board in the April 2013 management report (included in the board book). Manuel Nuñez traveled to Costa Rica with representatives from other agencies to participate in events with the U.S. ambassador and at panel discussions.

We were also invited by the White House to participate in planning Vice-President Biden's trip. This information is included as part of the June 2013 management report in the board book.

Latin American Studies Association (LASA) panel

On June 1st, the IAF hosted a panel, *Citizen-driven development: lessons from grassroots groups in Latin America*, at the LASA congress in Washington, D.C. Three grantee partners from Bolivia, Colombia and Guatemala participated, in addition to a researcher/practitioner from partner organization Coady International Institute. The grantee partners also presented at the IAF, with Congressional staffers in attendance, and had meetings on Capitol Hill.

Embassy meetings

Kaplan and Foundation Representative Seth Jesse met with the new Salvadoran ambassador Ruben Zamora on June 5. The discussion focused on working with diaspora. Kaplan and Foundation Representative Gabriela Boyer discussed our portfolio with the new Mexican ambassador, Eduardo Medina Mora, on June 13. The IAF's learning project on chronic violence was of particular interest.

Foreign Assistance Dashboard

The dashboard was created to provide public greater access to foreign assistance data and establish a standard reporting framework for all U.S. government agencies providing foreign assistance. The initiative has been underway for a few years already, and the decision was made to start with the big agencies first (USAID, State, MCC, Defense, Treasury). The IAF had a kick-off meeting with State Department last month and we are working toward putting our data on the dashboard by October 2013. We already provide a lot of programmatic information on our website, and we are the first federal agency to receive GlassPockets certification from the Foundation Center.

IAF fellowship program

The IAF awarded 16 new fellowships to Ph.D. students from 11 universities across the U.S. Field work will take place in seven countries: Brazil, Colombia, Ecuador, El Salvador, Guatemala, Mexico, and Peru. Eight students are from the U.S. and eight are from four other countries (Brazil, Colombia, El Salvador, Guatemala).

The board had requested that we explore the possibility of expanding the IAF fellows program to include students at business or other professional schools. Although we have not conducted a thorough assessment, we have proposed an idea to the State Department and in partnership with

the Department of Education and SBA designed a pilot program. The U.S. Small Business Association has a network of Small Business Development Centers (SBDC) embedded in U.S. universities and corresponding centers in Latin America. The basic idea is to pilot an effort with select MBA programs in the U.S. and the SBDC network in Mexico. Fellows would work in a Mexican SBDC for several weeks providing counseling services to small business clients and grassroots organizations. This would provide good experience for business students, an opportunity for organizations in the IAF grassroots network to access business counseling, and support administration goals for educational exchange opportunities in the region. Meetings to further discuss the pilot program with partners are scheduled for the end of July.

Reflection on change at IAF

We have had several significant changes since the end of 2010. We reorganized the structure in the program office, replacing two regional directors with a single vice-president. We established the office of external and government affairs with the head reporting to the president. We redesigned the grant review and clearance process with more peer review and support from teams within the program office. Five senior managers retired or left the agency and we hired new directors for every office except evaluation and audit. We also moved to new offices in Washington, D.C.

In addition, we have had shrinking budgets, three years of pay freezes and the sequester, which makes it virtually impossible to process cash awards or bonuses for staff.

Accordingly, over the last several months Kaplan and the management team have undertaken a series of inward-looking actions designed to address employee morale. Ultimately, our goal is for IAF to be recognized as a top place to work among small agencies of the federal government.

We have held a series of staff meetings and convened small working groups to identify issues and priorities to address. We have already followed up on several of these items, including several IT improvements (some completed others still in process); establishing a new, more comprehensive telework policy; calling attention to work schedule flexibility for IAF employees; and drafting a staff orientation manual. Other steps are in the works, including setting up a staff advisory committee; all-staff conflict management training; and identifying and implementing a new grants knowledge management system to improve our analytic capability and to ease the administrative burden on staff and grantee partners alike.

We already see some signs that these efforts are bearing fruit, and we are hopeful that additional steps will continue this trend. At the same time, we expect to be facing more challenges in FY14 and are exploring all options to improve our position for the future. Some of these may conceivably cause further staff disruption.

B. Program update

1. Overview and program trends (Stephen Cox)

FY13 grant funds come from a variety of sources, including Appropriated, Social Progress Trust Fund (SPTF), Americas Partnership on Social Inclusion and Equality (APSIE-State Department), Inter-American Social Protection Network (IASPN-State Department), Mott Foundation, and deobligations. The total amount available for grants in FY13 is about \$13 million compared with about \$16 million in FY12. The total FY13 edited pipeline is about \$15 million.

Cox shared the geographical breakdown of FY13 projections (Mexico, Brazil, Southern Cone, Caribbean, Andes, Central America, Latin America regional), compared with FY12 actuals. Over 30 percent of funding actions are in Central America, 26 percent in Andean countries, and about 10 percent each in Brazil and Mexico.

Coady International Institute conducted staff training on citizen-driven development in April. We are also exploring partnership opportunities with Coady in Brazil, Mexico and Haiti. IAF hosted a panel at LASA, as mentioned by Kaplan. Two initiatives with State Department are underway: Americas Partnership on Social Inclusion and Equality (APSIE) and Inter-American Social Protection Network (IASPN). Three grants focusing on community foundations, with joint funding from Mott Foundation, have been made on schedule, and we will soon explore the next round of partnership with Mott.

RedEAmérica has new leadership and is going through the strategic planning process. Concrete next steps for IAF will depend on the outcome of that process.

We have a new mechanism in place for approving small grants. We are in partnership discussions with various entities including JASS, Heifer, Green Mountain Coffee, Avina, Access Initiative (extractive industries), and PCI (radio education program).

We are seeing results of our partners' efforts to produce broader, upstream results that affect public policies and market structures. The context for enhanced policy engagement includes participatory budgeting, social inclusion, decentralized decisions, and growing partner sophistication on engaging in the policy process. The IAF is focusing on enhancing community agency (the capacity to take action or wield power).

Cox cited several examples of new efforts to access public resources and use participatory budgeting opportunities in Peru, Ecuador, Colombia, Brazil, Uruguay, El Salvador, and Paraguay. The projects work with indigenous groups, Afro-descendants, women, youth, and persons with disabilities in a range of topic areas.

The IAF has improved opportunities in resource management policy, including extractive industries, fishery management, micro-hydroelectric systems, and community-managed water systems. Countries cited were Jamaica, Brazil, Dominican Republic, Peru, and Nicaragua.

We need to better understand how and why these policy engagement opportunities are emerging, best and next practices in community action to take advantage of these opportunities, and support active networking among partners and support sources of expertise.

Discussion/questions

Amb. Dodd asked where the community-managed water system is located in Nicaragua. Cox confirmed that the group Pana Pana is working on the east coast, and Amb. Dodd noted that this is breaking new ground.

Mr. Wallace asked how we can increase the network of active partners. Cox responded that we can get them together in same room with access to experts in their field to begin talking strategy. For example, a private sector conference of small coffee producers will allow participants to share experiences. We can also develop a competence in a thematic cluster in our program, where we build our own competence in a specific area. In addition, we can deploy social media. For example, RedEAmérica members will participate in a meeting with experts from American University School of Communications, MIT, and an NGO in New York that does social media networking, to look at the prospects for a virtual platform. We are also supporting regional gatherings.

Mr. Wallace noted the Brazil grant working in fisheries management and said there may be opportunities to partner with environmental groups which tend to work at the macro level. The IAF can be on the ground helping to identify outside partners. Cox agreed and mentioned a project in Quintana Roo where we have sent grantee partners from Costa Rica to Mexico to learn from them.

2. Chronic Violence Learning Project update (Marcy Kelley and Juanita Roca)

Cox gave a summary of the Chronic Violence Learning Project (CVLP) to date. Two years ago, researcher Tani Adams gave a presentation at the IAF on chronic violence. The IAF then contracted her to look at IAF funded projects that were related to this theme, which raised our own awareness of the extent to which chronic violence affects the communities where we work throughout the region. The chronic violence perspective differs from common approaches to violence, which tend to be linear (problem – response). Chronic violence, not episodic or single-cause violence, represents an ecosystem change and a “new normal.” The IAF niche is to look carefully at what happens at the community level. The question is: how are communities adapting to a new normal with an expectation of chronic violence? This challenges our thinking about our own program and we have to be more explicit in understanding the expectation of violence. The phenomenon is more prevalent than we imagined but acknowledging and coming to grips with the fact can help communities to move forward. Marcy Kelley and Juanita Roca will give an update on the CVLP since the last presentation to the board in September 2012.

Kelley shared a rough initial statistical look at IAF grants. Sixteen grants (7 percent) in 11 countries explicitly target violence (gangs, gender violence, human trafficking). Thirty-seven grants (15 percent) in 13 countries have been affected by violence (including robbery, kidnapping, paramilitary and military presence). Forty-three grants (18 percent) are active in 24 areas in 12 countries where IAF staff have restricted access because of U.S. Embassy security restrictions. Seventy grants (29 percent) focus directly on violence and/or have been affected by violence and/or are being carried out in areas that are restricted for security issues.

Roca emphasized that this is a learning project and we have struggled internally with multiple interests. The overall goal of the CVLP is to facilitate learning, reflection, and strategic thinking about chronic violence with relevant groups. There are three objectives:

- Develop a broader understanding and consciousness of how chronic violence affects individual, social and political relations, systems and beliefs.
- Understand why some communities living in chronic violence are resilient and identify programmatic implications.
- Share a new perspective on chronic violence with others.

The chronic violence framework takes into account the multiple causes and effects that create a new normal: violence begets violence; childhood development is compromised by parental trauma; individual and social behavior exhibit a perverse normality; and the practice of citizenship and democracy is threatened.

Marcy Kelley and Juanita Roca just visited the first two of five focus groups that are being conducted as a way to collect information from the field and engage grantee partners directly. In September we plan to have a regional workshop with two representatives from each focus group, to analyze information and review the process.

Kelley and Roca described the focus groups in Guayaquil, Ecuador (Asociación Afroecuatoriana de Mujeres Progresistas) and Monteria, Colombia (Corporación Taller – Promoción Popular y Desarrollo Alternativo). IAF staff relationships with grantee partners allowed immediate access and trust, perhaps because IAF staff were considered neutral listeners. By telling stories with their own words, participants exercised ownership. The workshop broadened from individual stories to collective stories to community stories. One activity asked volunteers to wear “Martian” glasses to look at their community from the outside, which elicited a reaction from one participant in Guayaquil who said she would not want to live in the community (after the exercise, the same group expressed optimism about what they might be able to do). In Colombia, participants realized they may be able to help the community.

Participants were presented with the evolving chronic violence framework and asked to use photographs or magazine/newspaper clippings to describe examples from their everyday experiences with chronic violence.

On the third day of the workshop, participants placed key events into a timeline that showed their community’s sustained capacity to overcome challenges. By this time, the Martian had a more positive view of their community and a different perspective on their reality. Kelley noted that they could not complete the third day in Colombia due to roadblocks, a circumstance that underscored the perverse normality of violence in the community.

The remaining focus groups will convene in El Salvador, Guatemala, and Mexico in July. The regional workshop will take place in September and we plan to publish the focus group training materials. Part II of the CVLP is still to be determined.

Mr. Wallace asked who developed the materials. Kelley said that it was a team effort and Roca mentioned that the country teams are involved in the process as well.

Chairman Salazar asked for clarification of the new normal. How are they changing the way they live their lives? Kelley explained that in Guayaquil, they are proud of what they have done. Members of the community who are in gangs actually provide security. The key is that they recognize what they have already been doing and turn that into an asset. Cox said we have to ask how we can incorporate that into our program and share it. Nuñez noted that we also have to ask how to transform this into deliverables that others can use.

Mr. Wallace asked why it is the “new” normal, and not the “normal” normal since violence has always been there. Were communities relatively okay until recent years? Kelley clarified that it could be called a perverse normal rather than a “new” normal.

Ms. Ryan believes it is helpful to integrate it into the work of the IAF. There is much data to pull from here. The Department of Defense is doing work on violence in the hemisphere and they do not have this data. Ms. Ryan noted the work done by Helen Mack on the different types of violence. By being able to ask the communities what they want to happen, the IAF has an extraordinary opportunity. We could link with criminologists and import some understandings here in the U.S. The government (e.g. NSS, DOJ, DHS) would like to see how this affects decisions on migration. Children are leaving due to violence. This is important for decision makers in Washington. We want to be able to demonstrate those links to behavior change and reduction in violence. It needs to be data-driven, rather than through anecdotes.

Roca emphasized framework and process. It moves the discussion from a focus on episodic violence to how people are relating to each other. People are used to relying on and responding to external actors and now they are realizing they can do things from within. Kaplan said we are asking the community what they need, what they can do, and what they are doing already. This empowers them to be actors.

Zimmerman asked what kind of data would be most useful. Ms. Ryan said some questions are: What types of harm? How long has it been occurring? Is it rising or falling? It could be interesting for Helen Mack Foundation to look at it. External audiences are interested in numbers and graphs.

3. Results report (Emilia Rodriguez-Stein)

The 2012 Results Report was distributed to board members along with the board book. The report can also be found on the IAF website. Highlights for 2012 include 267 active grants, valued at \$69.7 million; 58 new grants, valued at \$12.29 million; and 68 amendments, valued at \$4.15 million. The average amount per grant was \$261,128. The executive summary describes results at the different levels: individuals and families; organizations, and communities and societies. Approximately 3,437 new jobs were created; 1,892 positions were saved; and more than 33,000 individuals have improved health. At the organization level, the development of skills contributes to the sustainability of projects. Organizations are forming partnerships with municipalities and other NGOs and mobilizing resources. In addition to required commitment of counterpart valued at almost \$9 million, IAF grantees mobilized and brokered more than \$3.76 million. At the community and society level, there is broader participation and civic engagement.

The total active portfolio is divided among topic areas: agriculture, enterprise development, education and training, corporate social investment, environment, cultural, health, legal assistance, housing, and research and dissemination. (The chart is available on the IAF website.)

We conducted a series of ex-post assessments and the summaries are posted on the IAF website. The evaluations were completed by the data verifiers who are knowledgeable about the context and were involved during the grant period. We have determined that going through the data verifiers is the most cost effective method. In the future we hope to have an expert help with a comprehensive evaluation. While it is independent of the program office, the office of evaluation has leadership in the process, selects the project to evaluate and collaborates with program office and external affairs. The assessments seek to determine what made the projects successful or not. Rodriguez-Stein walked through the ex-post assessment of PIDECAFE in Peru.

Mr. Wallace asked how we choose the projects that will be evaluated. Rodriguez-Stein said that this year with the program office we chose a common theme for the evaluations: exporting to global markets. But the projects exporting the goods to global markets were selected by the office of evaluation. Eventually we would like to randomly select the projects to be evaluated.

Mr. Wallace asked whether there might be a bias if the data verifier who was previously involved with the project is also doing the evaluation. In the past, an independent entity such as Getulio Vargas had conducted the evaluations. Rodriguez-Stein said that because the data verifiers do not report to the program office but to the office of evaluation, we closely monitor how they collect and verify the data, and she can assure that the process is not biased. The data verifiers will not be compromising results.

Mr. Wallace said that we should learn from failures as well as successes. Kaplan said it is difficult to find the cases that failed spectacularly because sometimes there is nothing left. At the same time, he noted that not all the cases were successes and some had elements of failure. Mr. Wallace asked if we know the number of projects that failed after five years. Kaplan said we do not go back to every project five years later. We are moving towards regular interaction with groups after funding ends. Cox mentioned the power of the network, and not just the active network but contacts from the past as well. Rodriguez-Stein said that a project history is written at the end of the grant and we learn what worked or did not at the end of each project. At the time the grant closes, about 90 percent of grants are in an active position to move forward and the capacity built during the life of the project helps them to continue. Mr. Wallace asked whether that means that between about five and ten percent have disappeared. Kaplan said he believed the number was likely greater than that. Mr. Wallace said you cannot extract lessons unless you have failures.

Ms. Ryan observed that the chart on topic areas currently reads as an activity report and is missing the economic results, for example in agriculture and food production. Health, enterprise development, housing, and others lend themselves to showing economic results. Kaplan noted that the results report is mostly aggregated data and a snapshot of progress on goals established for the year. It also depends on the indicators selected.

C. Overhead and operational efficiency (Jake Sgambati)

Kaplan said that looking at our operations and improving efficiency is part of our strategic plan and we take it very seriously. Despite the fact that we have kept overhead spending flat over the last several years, our overhead percentage is increasing because our appropriations, and eventually SPTF resources, are falling. We have a two-pronged strategy to address this: (1) a systematic analysis of how we spend our money to identify potential savings, led by Jake Sgambati, and (2) donor engagement to increase the denominator, led by Manuel Nuñez.

Sgambati presented a graph showing historical and projected use of funds for IAF among program, program support and overhead (FY 2010 through FY 2014). Program support funds have been stable over the five-year period, but the overhead percentage is increasing over time because the program support costs occupy a larger share of a reduced total projected budget.

Another chart reflects a breakdown of program support funds over five years by major category: Salary & Benefits, Inter-agency agreements (IAA), Rent, information technology services, Travel, Training, Utilities, and Other. Some of the traditional “trimming areas” like training and travel are already very low and do not represent a significant portion in overhead percentage calculation. The two largest cost categories are salaries/benefits and IAAs.

Sgambati and Nicole Tillman, finance and budget officer, have met with office directors and staff to look at specific target areas. We are using a zero-based approach, starting from nothing to build up the need based on the current context and mission critical work. Each area is given background information, analysis and recommendations. All target areas will be analyzed by the end of FY14 and most changes should be ready for implementation within the next fiscal year. Some recommendations, however, are more complicated and could take years to implement.

Salary and benefits are the highest spending area for program support funds. We are considering how we account for those costs, as direct hires are considered program support but a contractor may be considered program costs. We are also looking at the organizational structure and how to align resources to accomplish our mission. IAF has advantages that we can leverage: small staff structure, relatively portable and mobile work, relatively homogenous region in terms of culture and language, and the USG Asia pivot.

We are looking at areas within the “other” category such as our printer footprint (multifunctional devices instead of different printer models); storage space (implement a record management policy and remove the cost from the annual lease); publications (working with external affairs to analyze the value IAF receives from investing in high layout and production costs); and language lessons (nice-to-have versus mission need). The total potential savings in this category may be about \$100,000 annually.

We expect FY13 and early FY14 investments in information technology will yield significant savings over the next two years. Several systems are already underway such as cloud email (bid going out in the next three weeks), Office 2013 (already procured), and a grants-knowledge management system (needs assessment should be completed by the end of FY13). Our current IT service agreement runs through FY14 and we will review our support needs looking forward to

FY15, when we could save up to \$1 million. We already have some advantages such as a very small server room and small investment in IT infrastructure (e.g. no data center).

There are several ongoing analyses and some focus areas will be completed in August and September. Others will begin soon. As we consider enhancements this year and in the future, we do not want to undercut opportunities to be flexible by making decisions within the current operating context.

Mr. Wallace asked how much is allotted for the IAF fellowship program and how central it is to our mission. He also noted that we went several years without the program. Nuñez confirmed that the total is approximately \$500,000. Kaplan said the program is relevant to our work, and we are taking steps to bring it closer to our development grantmaking program. Chairman Salazar agreed. Kaplan said we have not done a comprehensive review of the fellowship program, but from the management side we see potential to use it strategically for program and evaluations. We have not seen a need to reduce it and may actually expand it, if we can find a donor to co-fund. Nuñez said we look at the fellowship alumni to bolster our network. Amb. Dodd noted that universities are connected to foundations. Rodriguez-Stein said the fellowship program helps professionals in the U.S. and Latin America to train and better understand grassroots development.

Mr. Wallace said if we are going to keep the program, it should enhance our ability to get learning and a product. Kaplan concurred and suggested we may have opportunities to get our multiple networks to reinforce each other (grassroots network, fellows network, strategic partner network). Amb. Dodd said the fellows are a cadre of leaders and the IAF can be a pilot in integrating scholars and practitioners. He, too, wants to see the fellowship program more integrated into the IAF's program. Mr. Wallace said we can approach a foundation for funding, but we have to figure out how the fellowship program integrates.

C. Congressional update (Manuel Nuñez)

There have been no markups as of yet on the FY14 budget. As a reminder, the President's request is \$18.1 million. We will continue to keep an eye on any developments.

We are receiving bipartisan support. Our lean structure, focus on results and transparency have been key points in our favor. We have tried to transparently recount project failures along with successes when meeting with Congressional staff.

The grantees who participated in LASA did a brownbag presentation here at IAF and we invited Congressional staffers to attend. This led to a meeting this week with House staffers. We also took the grantees to a meeting with Senate Foreign Relations Committee staff, and they have since requested a briefing.

Mr. Wallace asked if we can research which Members have specific country interests. Nuñez mentioned that there are several who do not sit on any IAF oversight committees but that have regional interests or specific interests in Mexico due to geographic proximity. We have made an

effort to meet with those offices and develop relationships. The best way to uncover these interests is by asking for recommendations from staffers.

The Congressional dinner on May 22, organized by the Inter-American Dialogue with support from the IAF, focused on President Obama's visit to Mexico and Central America. The dinner was co-hosted by Senator Tim Kaine (D-VA) and Representative Michael McCaul (R-TX), and we have had follow-up meetings with both. Seven Congressional Members attended the dinner along with several ambassadors from the region.

The dinner also led to a follow-up meeting with Representative Beto O'Rourke of El Paso and his staff. Among the topics discussed were security challenges in Ciudad Juarez and community foundations. Mr. Wallace mentioned Guadalupe Arizpe De La Vega from El Paso who could be part of this effort.

Núñez attended the roundtables on energy, trade, and economic inclusion during President Obama's trip to Costa Rica in May. The government delegation also included Valerie Jarrett, Roberta Jacobson, and Mark Feierstein. Núñez was able to speak with several people about the IAF, and we were included in the White House press releases for President Obama and Vice President Biden's trips to the region.

Núñez circulated a concept paper on the Small Business Network of the Americas (SBNA) Fellows program, previously described by Kaplan. The federal agencies involved in the initiative (Departments of State and Education, IAF, Small Business Administration) have identified universities with small business centers embedded. The idea is to run a pilot in 2014 in Mexico. Mr. Wallace recommends that we include in our communications John Feeley, Principal Deputy Assistant Secretary, Bureau of Western Hemisphere Affairs, at State Department.

We have had conversations with Oxfam, including Paul O'Brien and Duncan Green. Former Bolivian grantee, Los Masis, will be performing this week on Kennedy Center's Millennium Stage, and participating in the Smithsonian Folklife Festival. Kaplan recently submitted a piece in the Q & A section of the Latin America Advisor, the newsletter of the Inter-American Dialogue.

IV. ADVISORY COUNCIL REPORT (Alec Watson)

Advisory council chair Alec Watson began by thanking Mr. Morales for accepting the invitation to join the advisory council.

At the December 2012 board meeting, vice chair Kay Arnold challenged advisory council members to make connections with potential partners and donors. Amb. Watson sent a follow-up letter to the advisory council asking four questions:

1. What does your own experience tell you about how the IAF should address this challenge?
2. Who specifically should we engage as we look for new funding partners for the IAF's work?

3. What should our messages be to each of these prospective partners?
4. What doors are you personally prepared to open for the IAF?

We received four categories of responses:

Mission and strategy. There are evolving circumstances in each country, including external phenomenon (e.g. if Colombia peace talks are successful we should be prepared to put funds in the agriculture sector). Emphasize working with women and youth. Think about how best we can use RedEAmérica, including partnering with local authorities.

Visibility and message. Place articles in strategic publications. Focus on unity of message in them. Academics can mention IAF in blogs for a fresh perspective.

Business process. One suggestion was to establish a team in Brazil that would be in a position to receive funds there. This model could apply to other countries. Develop an IAF database of successful programs, initiatives and business practices.

Potential partners. Elena Echavarria offered to put us in touch with Corona corporation and foundation. There were also suggestions in specific categories: academia (universities have relationships with corporations already and we may be able to develop a three-way collaboration); business sector (Nuñez is already working in this area); and individual donors (high net worth? former grantees? foreign language students?).

Amb. Dodd suggested Universidad de los Andes in Colombia and Catholic University of Chile.

Amb. Watson said Nuñez has done excellent work in methodologies, messaging and strategies. The board should use this information and ask how to pull the advisory council into it. The board should also consider whether they expect each advisory council and board member to make a personal donation, as is the practice at non profits that need to raise funds. We could also consider partnerships with other organizations seeking grant funds from government and multilateral institutions. Amb. Watson also noted that fundraising requires more people than what we currently have.

V. DONOR ENGAGEMENT (Manuel Nuñez)

Green Mountain Coffee allocates about \$9 million to a supply chain outreach program. It is not limited to coffee but also education and environment. We just received the request for proposal which is due in July. We plan to describe our work highlighting due diligence, results, evaluation and reporting, co-funding, and capacity building in communities.

Friends of British Council wishes to increase their presence in LAC and we are helping identify projects to support together. Nuñez is meeting with Merck to explore potential collaboration on their Merck for Mothers program in LAC. And thanks to Amb. Jim Jones' introduction, we are meeting with John Deere to discuss our agriculture portfolio.

We are currently evaluating proposals for a contractor to assist in donor engagement.

Mr. Wallace asked if people can donate through the IAF website. Nuñez said we do not yet have that capacity but hope to have that functionality within three months.

Chairman Salazar said he was pleased that all IAF units are working together which causes a multiplier effect. He asked whether OMB has concerns about adding more staff. Zimmerman said there is a statutory ceiling of 100 staff. Kaplan said that OMB asked us to use 43 FTEs when we submitted our budget, but there is no hard cap other than the statutory ceiling.

Other matters

Chairman Salazar asked Zimmerman to report on the employment matter. Zimmerman explained that the former Chief Operating Officer had brought a claim against the IAF before the Merit System Protection Board (MSPB). We argued there was no jurisdiction and we won the motion. The MSPB initial decision dismissing the claim became final. An internal EEO matter has now been filed.

Ms. Ryan announced that she is leaving the Department of Homeland Security and will be seconded to the International Organization for Migration as coordinator for the Inter-governmental Consultation (IGC) on migration, asylum and refugees. She will be living in Geneva for four years. Being seconded means she has reemployment rights and it counts toward her time in government. The White House has said it is okay for her to continue on the IAF board. She will be moving to Geneva in September.

Mr. Wallace asked if there has been any news on new board members. Zimmerman has recently been in touch with PPO because they asked us to confirm information on the status of the current board.

VI. ADJOURNMENT

Chairman Salazar adjourned the meeting at 12:44 p.m.